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TO: Nancy Skowronski, Director
Library Department/Municipal Reference Library

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 3, 2007

RE: 2007-2008 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Roger Short, Finance Department Director
Ron Chenault, Budget Department Team Leader
Kandia Milton, Mayor's Office

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Library (72)

FY 2007-2008 Budget Analysis by the Fiscal Division

Summary

The Detroit Public Library (Library) is an Enterprise Fund Agency. The Library was created to provide reference materials, research information, and publications to residents of the City and the County. For fiscal year 2005-2006, the Library received 86% of its revenue through the collection of a 4.6307 mill property tax, which is earmarked for community Library services. In addition, the Library receives grants and endowments from private organizations.

2006-2007 Surplus/(Deficit)

The Library is anticipating neither a surplus nor a deficit for FY 2006-2007.

Overtime

There was no overtime budgeted for the Library in fiscal year 2006-2007. Through March 31, 2007, the Library has spent \$20,716 on overtime. The recommended overtime budget for fiscal year 2007-2008 is \$0.

Employee Turnover Savings

There is no employee turnover savings projected for the Library in the Mayor's 2007-2008 Proposed Budget.

<u>Appropriation/Program</u>	<u>Budgeted</u>	<u>Filled</u>	<u>Mayor's</u>	<u>Over/(Under)</u>	<u>Mayor's</u>
	<u>Positions</u>	<u>Positions</u>	<u>Budget</u>	<u>Actual to</u>	<u>Recommended</u>
	<u>FY 2006-07</u>	<u>3/31/2007</u>	<u>FY 2007-08</u>	<u>06/07 Budget</u>	<u>Turnover</u>
Library 72):					
720020 Library - Director of Main Library	1	1	1	0	\$ -
720033 DPL - Children's Library Services	12	10	11	(2)	\$ -
720034 Children & Young Adult Services	0	0	2	0	\$ -
720041 DPL - TIP, GI & Business & Financial	30	23	0	(7)	\$ -
720042 Popular Library	0	0	19	0	\$ -
720044 TIP & TRC	0	0	9	0	\$ -
720051 DPL - Sociology, Economics & PRE	18	21	0	3	\$ -
720054 S & E/PRE/MRL	0	0	22	0	\$ -
720101 DPL - Music, Performing Arts & Art &	15	18	0	3	\$ -
720110 Technology & Science	15	9	0	(6)	\$ -
720114 T & S/B & F	0	0	17	0	\$ -
720154 MPA/Art&Lit/H & T	0	0	18	0	\$ -
720160 Burton Historical Collection	0	0	21	0	\$ -
720265 Special Collections	24	21	0	(3)	\$ -
720522 DPL - Database Mgmt. Services	0	0	0	0	\$ -
720650 Security	16	16	16	0	\$ -
00189 Main Library	131	119	136	(12)	\$ -
720201 DPL - Asst. Director Branch Svcs.	2	1	2	(1)	\$ -

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FY 2007-2008 Budget Analysis by the Fiscal Division

720210 Chaney	7	5	7	(2)	\$	-
720220 Hubbard	7	5	7	(2)	\$	-
720230 Redford	11	7	11	(4)	\$	-
720240 Campbell	6	7	6	1	\$	-
720250 Lincoln	7	5	7	(2)	\$	-
720260 Jefferson	8	4	8	(4)	\$	-
720270 Chase	7	5	7	(2)	\$	-
720280 Monteith	8	6	7	(2)	\$	-
720290 Franklin	9	5	9	(4)	\$	-
720300 SIR/Douglas	24	17	24	(7)	\$	-
720310 Elmwood Park	6	4	6	(2)	\$	-
720320 Parkman	12	6	12	(6)	\$	-
720330 Wilder	8	6	8	(2)	\$	-
720340 Conley	7	5	7	(2)	\$	-
720350 Chandler Park	7	5	7	(2)	\$	-
720360 Bowen	8	6	9	(2)	\$	-
720370 Knapp	7	5	7	(2)	\$	-
730380 Edison	7	5	8	(2)	\$	-
720390 Duffield	8	7	9	(1)	\$	-
720400 Sherwood Forest	7	5	7	(2)	\$	-
720410 Downtown	12	8	12	(4)	\$	-
720420 Richard	7	7	7	0	\$	-
720430 Mark Twain	4	3	4	(1)	\$	-
720440 Gray	5	0	0	(5)	\$	-
00190 Branch Services	201	139	198	(62)	\$	-
720002 DPL - Admin. Operations	4	6	7	2	\$	-
720012 Dir. Of Public Services	5	5	4	0	\$	-
720172 DPL - Circulation	13	7	13	(6)	\$	-
720452 Marketing Services	9	8	9	(1)	\$	-
720462 Dir. Of Technical Services	2	3	2	1	\$	-
720482 DPL - Bibliographic	14	8	11	(6)	\$	-
720492 Print Shop	3	2	4	(1)	\$	-
720502 DPL - Technical Processing Services	17	14	18	(3)	\$	-
720522 Database Management Services	0	0	0	0	\$	-
720532 Library - Director of Information Systems	12	8	11	(4)	\$	-
720542 Library - Human Resources	8	8	8	0	\$	-
720572 Library - Director Business & Finance	14	13	14	(1)	\$	-
720622 DPL - Facilities Maintenance	24	23	24	(1)	\$	-
720662 DPL - Shipping Services	8	6	8	(2)	\$	-
10454 DPL - Administrative Management	133	111	133	(22)	\$	-
72XXXX Leave of Absence	0	(4)	0	(4)	\$	-
72XXXX Workers Compensation	0	0	0	0	\$	-
72XXXX Unmatched Positions	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>\$</u>	<u>-</u>
TOTAL	<u>465</u>	<u>366</u>	<u>467</u>	<u>(99)</u>	<u>\$</u>	<u>-</u>

* Please note: there are 106 part-time budgeted positions for 2006-07, and 107 proposed for 2007-08. Our analysis above does not reflect the number of actual part-time positions. The Executive Budget shows 96 actual part-time positions at March 31st.

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FY 2007-2008 Budget Analysis by the Fiscal Division

Proposed Layoffs and Vacant Position Reductions

The 2007-2008 budget recommends an increase of two positions (one full-time and one part-time) for the Library. No layoffs are proposed for this department.

Significant Changes in Funding by Appropriation

<u>Appro</u>	<u>Program</u>	
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00189	Main Library	The appropriations for the programs increased by a total of \$6,279,379. The increase results from the following: a \$614,857 increase in Salaries & Wages; a \$534,108 increase in Operating Services; a \$222,000 increase in Operating Supplies; a \$163,340 increase in Employee Benefits; and a \$5,000,000 increase in Capital Outlay, offset by \$50,000 decrease in Professional Contractual; a \$14,216 decrease in Capital Equipment, and \$190,710 decrease in Other Expenses.
00987	Capital	
10454	Improvements, and DPL-Administrative Management	

<u>Appro.</u>	<u>Program</u>	The appropriation for Branch Services decreased by \$159,770. The decrease results from the following: a \$74,584 decrease in Employee Benefits, and \$125,000 decrease in Operating Services offset by a \$39,814 increase in Salaries & Wages.
0190	Branch Services	

Significant Revenue Changes by Appropriation

<u>Appro</u>	<u>Program</u>	
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10454	Main Library & Branch Services	Revenues have increased overall by \$5,869,609, primarily due to the following: a \$2,260,992 increase in Current Year Property Taxes; a \$4,000,000 increase in the Prior Year Surplus account and \$581,848 increase in Uncollectible Property Taxes; offset by a \$415,000 net decrease in Grants Community Program and \$650,000 decrease in Prior Year Property Taxes.
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00987	Library Capital Improvements	Revenues have increased by \$250,000 due to the following: a \$750,000 decrease in Current Year Property Taxes and a \$1,000,000 increase in Earnings on Investments for capital improvements.
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FY 2007-2008 Budget Analysis by the Fiscal Division

Issues and Questions

1. What is the reason for the \$2.3 projected increase in Current Year Property taxes (page 72-11)?
2. What is the reason for the \$4.0 million projected increase in the Prior Year Surplus account (page 72-12)?
3. What will the \$5.0 million projected increase in Capital Outlay be used for (page 72-6)?
4. How does the Library intend to “expand the use of technologies” in FY 2007-2008?
5. How does the Library “collaborate with Detroit schools to support learning objective for students?”
6. In the Non-Departmental budget, the Mayor is recommending that \$104,635 be allocated for the Municipal Reference Library for next fiscal year, the same allocation for the current year. Given that the Library anticipates a prior year surplus of \$4 million in 2007-08, does the Library Commission still recommend closing the Municipal Reference Library in the Coleman Young Municipal Center?